

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
(Incorporated in Malaysia)

Statement Of Comprehensive Income
For the Financial Period Ended 31 December 2020
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Change Favourable/ (Unfavourable)		Period-To-Date 6 months ended		Change (Unfavourable)/ Favourable	
		31.12.20 RM'000	31.12.19 RM'000	RM'000	%	31.12.20 RM'000	31.12.19 RM'000	RM'000	%
Revenue		356	459	(103)	-22	1,566	1,802	(236)	-13
Direct costs		(30)	(34)	4	12	(61)	(66)	5	8
Gross profit		<u>326</u>	<u>425</u>	<u>(99)</u>	<u>-23</u>	<u>1,505</u>	<u>1,736</u>	<u>(231)</u>	<u>-13</u>
Fair value (loss)/gain on investment		(255)	81	(336)	-415	(58)	227	(285)	-126
Foreign exchange gain		11	14	(3)	-21	19	20	(1)	-5
Depreciation		(3)	(1)	(2)	-200	(6)	(1)	(5)	-500
Administrative expenses		(444)	(453)	9	2	(787)	(823)	36	4
(Loss)/Profit from operations		<u>(365)</u>	<u>66</u>	<u>(431)</u>	<u>-653</u>	<u>673</u>	<u>1,159</u>	<u>(486)</u>	<u>-42</u>
Share of profit of associate		<u>4,342</u>	<u>2,324</u>	<u>2,018</u>	<u>87</u>	<u>7,325</u>	<u>711</u>	<u>6,614</u>	<u>930</u>
Profit before tax	20	<u>3,977</u>	<u>2,390</u>	<u>1,587</u>	<u>66</u>	<u>7,998</u>	<u>1,870</u>	<u>6,128</u>	<u>328</u>
Income tax expense	21	<u>(35)</u>	<u>(20)</u>	<u>(15)</u>	<u>-75</u>	<u>(67)</u>	<u>(45)</u>	<u>(22)</u>	<u>-49</u>
Profit after tax		<u><u>3,942</u></u>	<u><u>2,370</u></u>	<u><u>1,572</u></u>	<u><u>66</u></u>	<u><u>7,931</u></u>	<u><u>1,825</u></u>	<u><u>6,106</u></u>	<u><u>335</u></u>
<u>Other comprehensive income/(loss)</u>									
Fair value gain/(loss) on investments		17,126	(8,925)	26,051	292	3,264	(34,858)	38,122	109
Share of other comprehensive income/(loss) of associate		145	(2,744)	2,889	105	(5,147)	(6,363)	1,216	19
Foreign currency translation		289	1,002	(713)	-71	(2,948)	(2,120)	(828)	-39
Other comprehensive income/(loss) for the period, net of tax		<u>17,560</u>	<u>(10,667)</u>	<u>28,227</u>	<u>265</u>	<u>(4,831)</u>	<u>(43,341)</u>	<u>38,510</u>	<u>89</u>
Total comprehensive income/(loss) for the period		<u><u>21,502</u></u>	<u><u>(8,297)</u></u>	<u><u>29,799</u></u>	<u><u>359</u></u>	<u><u>3,100</u></u>	<u><u>(41,516)</u></u>	<u><u>44,616</u></u>	<u><u>107</u></u>
Earnings per share									
attributable to equity holders of the Company:									
Basic (Sen)	26(a)	3.19	1.92			6.41	1.47		
Diluted (Sen)	26(b)	<u>3.19</u>	<u>1.92</u>			<u>6.41</u>	<u>1.47</u>		

N.M - Not Meaningful

The statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))

(Incorporated in Malaysia)

Statement of Financial Position**As at 31 December 2020**

	(Unaudited)	(Audited)
	As at	As at
	31.12.20	30.06.20
	RM'000	RM'000
ASSETS		
Non-current assets		
Plant and equipment	14	20
Investment properties	28,635	28,927
Investment in associate	149,655	147,828
Investments	205,310	204,425
	<u>383,614</u>	<u>381,200</u>
Current assets		
Sundry receivables	496	431
Prepayments	6	78
Cash and bank balances	59,994	59,273
	<u>60,496</u>	<u>59,782</u>
TOTAL ASSETS	<u>444,110</u>	<u>440,982</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	63,670	63,670
Reserves	377,390	375,713
	<u>441,060</u>	<u>439,383</u>
Non-current liability		
Deferred tax liability	454	459
Current liabilities		
Sundry payables	2,424	958
Tax payable	172	182
	<u>2,596</u>	<u>1,140</u>
Total liabilities	<u>3,050</u>	<u>1,599</u>
TOTAL EQUITY AND LIABILITIES	<u>444,110</u>	<u>440,982</u>

The statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))

(Incorporated in Malaysia)

Statement of Changes in Equity**For the Financial Period Ended 31 December 2020**

(The figures have not been audited)

	← Non-Distributable →		→ Distributable			
	Share Capital RM'000	Share of Associated Company Reserves RM'000	Fair value Reserves RM'000	Foreign Exchange Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Balance at 1 July 2020	63,670	82,276	74,735	75,276	143,426	439,383
Total comprehensive (loss)/income for the period	-	(5,147)	3,264	(2,948)	7,931	3,100
Transfer of reserve upon disposal of investment	-	-	(24)	(174)	198	-
Dividends	-	-	-	-	(1,423)	(1,423)
Balance at 31 December 2020	<u>63,670</u>	<u>77,129</u>	<u>77,975</u>	<u>72,154</u>	<u>150,132</u>	<u>441,060</u>
Balance at 1 July 2019	63,670	87,359	128,995	74,016	142,466	496,506
Total comprehensive (loss)/income for the period	-	(6,363)	(34,858)	(2,120)	1,825	(41,516)
Dividends	-	-	-	-	(1,732)	(1,732)
Balance at 31 December 2019	<u>63,670</u>	<u>80,996</u>	<u>94,137</u>	<u>71,896</u>	<u>142,559</u>	<u>453,258</u>

The statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
(Incorporated in Malaysia)

Statement of Cash Flows
For the Financial Period Ended 31 December 2020
(The figures have not been audited)

	6 months ended	
	31.12.20	31.12.19
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before taxation	7,998	1,870
Adjustments for:		
Depreciation	6	1
Dividend income	(926)	(933)
Unrealised foreign exchange gain	(22)	(21)
Interest income	(242)	(394)
Share of gain of associated company	(7,325)	(711)
Fair value loss/(gain) on investment	58	(227)
Operating cash flows before working capital changes	(453)	(415)
Receivables	159	(22)
Prepayments	72	(25)
Payables	53	139
Cash flows used in operations	(169)	(323)
Taxes paid	(75)	(82)
Net cash flows used in operating activities	(244)	(405)
INVESTING ACTIVITIES		
Purchase of investments	-	(11,058)
Interest received	424	323
Dividends received	926	933
Proceeds from disposal of investment	200	-
Withdrawal of fixed deposits	238	220
Net cash flows generated from/(used in) investing activities	1,788	(9,582)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,544	(9,987)
EFFECTS OF EXCHANGE RATE CHANGES	(585)	(413)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	18,801	29,520
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD (Note 27)	19,760	19,120

The statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The interim financial statements of the Economic Entity for the financial period ended 31 December 2020 are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS").

The interim financial statements have been prepared on a historical cost basis, except for investment properties and certain investments that have been measured at their fair values.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

2. Significant accounting policies

Changes in accounting policies

During the financial period, the Economic Entity has considered the new accounting policies in the preparation of the financial statements, as follows:

Amendments to MFRS 3: Definition of a Business
Amendments to MFRS 101 and 108: Definition of Material
Amendments to references to the Conceptual Framework in
MFRS Standards
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate
Benchmark Reform
Amendment to MFRS 16: Covid-19-Related Rent Concessions

The adoption of the above new standards, IC Interpretation and amendments did not have any significant impact on the financial statements

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2020 was not qualified.

4. Segmental Information

The Economic Entity is principally involved in long-term investments. Hence no operating segment information is provided.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

5. Unusual Items due to their Nature, Size or Incidence

There were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 December 2020.

6. Changes in Estimates

There were no changes in estimates that have had a material effect on the current quarter results.

7. Comments about Seasonal or Cyclical Factors

The principal business operations of the Economic Entity are not affected by seasonal or cyclical factors.

8. Dividends Paid

No dividend was paid during the current quarter.

9. Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities for the financial period ended 31 December 2020.

10. Changes in Composition of the Economic Entity

There were no changes in the composition of the Economic Entity for the financial period ended 31 December 2020.

11. Capital Commitments

There are no commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 December 2020.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 31 December 2020.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Period-To-Date	
	31.12.20	31.12.19	31.12.20	31.12.19
	RM'000	RM'000	RM'000	RM'000
Rental income from Ice Cold Beer Pte. Ltd., a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	238	239	397	475
Rental expense payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	15	20	30	20
Administration and accounting support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	80	77	159	155
Administration and support services and property management payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	20	4	24	8

14. Subsequent Events

There were no material events subsequent to the end of the current quarter.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
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Part A - Explanatory Notes Pursuant to MFRS 134

15. Fair Value Hierarchy

The Economic Entity uses the following hierarchy for determining the fair value of all assets and liabilities carried at fair value:

- Level 1: Quoted prices (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
31.12.20				
Investments	187,887	3,331	-	191,218
Investment properties	-	-	28,635	28,635
	<u>187,887</u>	<u>3,331</u>	<u>28,635</u>	<u>219,853</u>
30.06.20				
Investments	186,708	3,424	-	190,132
Investment properties	-	-	28,927	28,927
	<u>186,708</u>	<u>3,424</u>	<u>28,927</u>	<u>219,059</u>

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the current financial period and the comparative period. There was no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

16. Performance Review

The Economic Entity's revenue of RM356,000 and RM1.57 million for the current quarter and period-to-date respectively were lower than last year's corresponding quarter of RM459,000 and period-to-date of RM1.80 million. The decrease in revenue for the current quarter was mainly due to lower interest income. Rental income remained the same in SGD currency for the current quarter and last year's corresponding quarter. As for the current period-to-date, the decrease in revenue was mainly due to lower rental and interest income. Lower rental income achieved for the current period-to-date was mainly due to rental waiver given to the tenant of a property in Singapore during the various phases of the Covid-19 pandemic.

The Economic Entity posted an after-tax profit of RM3.94 million and RM7.93 million for the current quarter and period-to-date respectively which were higher than last year's corresponding quarter of RM2.37 million and last year's period-to-date of RM1.83 million. This was mainly due to share of the associate's profits of RM4.34 million and RM7.33 million for the current quarter and period-to-date respectively were significantly higher than last year's corresponding quarter's profit of RM2.32 million and period-to-date's profit of RM711,000.

However, revaluation on its fair value of investment through profit or loss for the current quarter and period-to-date were losses of RM255,000 and RM58,000 respectively while gains of RM81,000 and RM227,000 were reported for last year's corresponding quarter and period-to-date.

During the current quarter, the Economic Entity posted a total other comprehensive gain of RM17.56 million as compared to the loss of RM10.67 million reported during the corresponding quarter of a year ago. This was mainly due to the revaluation of its investments at fair value through other comprehensive income ("FVTOCI") for the current quarter was a gain of RM17.13 million while it was a loss of RM8.93 million reported during last year's corresponding quarter. Share of other comprehensive income of associate for the current quarter was RM145,000 while it was a loss of RM2.74 million a year ago. However, foreign currency translation for the current quarter was a gain of RM289,000 and this was lower than last year's corresponding quarter's gain of RM1.00 million.

For the current 6-month period, the Economic Entity posted a total other comprehensive loss of RM4.83 million which was significantly lower than last year's corresponding period-to-date's loss of RM43.34 million. This was mainly due to fair value on investments at FVTOCI was a gain of RM3.26 million while it was a loss of RM34.86 million a year ago. Share of other comprehensive loss of associate for the current period-to-date was RM5.15 million which was lower than last year's corresponding period-to-date's loss of RM6.36 million. However, foreign currency translation for the current period-to-date was a loss of RM2.95 million and this was higher than last year's corresponding period-to-date's loss of RM2.12 million.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

**17. Comment on Material Change in Profit Before Taxation for the Current Quarter as
Compared with the Immediate Preceding Quarter**

	Current Quarter 31.12.20 RM'000	Preceding Quarter 30.09.20 RM'000	Change (Unfavourable)/ Favourable/ RM'000 %	
Revenue	356	1,210	(854)	-71
Operating (loss)/gain	(365)	1,038	(1,403)	-135
Share of profit of associate	4,342	2,983	1,359	46
Profit before tax	3,977	4,021	(44)	-1
Profit after tax	3,942	3,989	(47)	-1
Profit after tax attributable to the equity holders of the company	3,942	3,989	(47)	-1

The Economic Entity posted a pre-tax profit of RM3.98 million during the current quarter which was slightly lower than the immediate preceding quarter's pre-tax profit of RM4.02 million. This was mainly due to:-

- 1) Revenue of RM356,000 was achieved during the current quarter. This was lower than the immediate preceding quarter's revenue of RM1.21 million on account of lower dividend received.
- 2) Revaluation on its fair value of investment through profit or loss for the current quarter was a loss of RM255,000 while it was a gain of RM197,000 in the immediate preceding quarter.

However, share of profit of associate for the current quarter was RM4.34 million which was significantly higher than the immediate preceding quarter's RM2.98 million.

18. Commentary on Prospects

The Economic Entity's results for the rest of the financial year ending 30 June 2021 will be dependent on rental income, dividend income receivable from investments, the effect of exchange rate fluctuations and market value of its investments.

Rental income may be impacted for the financial year ending 30 June 2021 due to the Covid-19 pandemic.

The results of the associated company will be affected by the plantation contribution and market valuation of its investments.

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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

19. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

20. Profit before Tax

Profit for the period is arrived after (crediting)/charging:

	Individual Quarter		Period-To-Date	
	31.12.20	31.12.19	31.12.20	31.12.19
	RM'000	RM'000	RM'000	RM'000
Interest income	(118)	(206)	(242)	(394)
Other income including investment income	1	(15)	(926)	(933)
Fair value loss/(gain) on investment	255	(81)	58	(227)
Depreciation	3	1	6	1
Foreign exchange gain	(11)	(14)	(19)	(20)
	<u>(118)</u>	<u>(206)</u>	<u>(242)</u>	<u>(394)</u>

21. Income Tax Expense

	Individual Quarter		Period-To-Date	
	3 months ended	3 months ended	6 months ended	6 months ended
	31.12.20	31.12.19	31.12.20	31.12.19
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	-	-	-	3
Foreign tax	35	20	64	50
	<u>35</u>	<u>20</u>	<u>64</u>	<u>53</u>
Under/(Over) provision in prior years:				
Foreign tax	-	-	3	(8)
	<u>-</u>	<u>-</u>	<u>3</u>	<u>(8)</u>
Total income tax expense	<u>35</u>	<u>20</u>	<u>67</u>	<u>45</u>

The effective tax rates for the current quarter, current period-to-date, last year's corresponding quarter and period-to-date were lower than the statutory tax rate applicable in Malaysia as certain income were not subject to income tax.

The foreign taxes arose mainly from the rental income from its investment property in Singapore.

22. Corporate Proposals

There was no corporate proposal announced by the Economic Entity as at the date of the issue of this quarterly report.

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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

23. Borrowings

There were no borrowings and debt securities as at 31 December 2020.

24. Changes in Material Litigation

There was no pending material litigation as at the date of the issue of this quarterly report.

25. Dividend Payable

The following dividends in respect of the financial year ended 30 June 2020 on 123,747,334 ordinary shares have been approved by the shareholders at the Annual General Meeting on 10 December 2020 and payable on 8 January 2021:

	Amount RM	Net dividend per share Sen
First and final tax exempt single-tier dividend	1,237,473	1.00
Bonus tax exempt single-tier dividend	185,621	0.15
	<u>1,423,094</u>	<u>1.15</u>

26. Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the financial period.

	Individual Quarter 3 months ended		Period-To-Date 6 months ended	
	31.12.20	31.12.19	31.12.20	31.12.19
Earnings attributable to ordinary equity holders (RM'000)	<u>3,942</u>	<u>2,370</u>	<u>7,931</u>	<u>1,825</u>
Weighted average number of ordinary shares in issue	<u>123,747</u>	<u>123,747</u>	<u>123,747</u>	<u>123,747</u>
Basic earnings per share (Sen)	<u>3.19</u>	<u>1.92</u>	<u>6.41</u>	<u>1.47</u>

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as there are no dilutive potential ordinary shares outstanding as at 31 December 2020.

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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

27. Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents comprise the following:

	31.12.20	31.12.19
	RM'000	RM'000
Cash and bank balances	59,994	58,995
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(40,234)	(39,875)
Cash and cash equivalents	<u>19,760</u>	<u>19,120</u>

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 February 2021.